

Information for Guaranty Agencies and the Direct Loan Servicer on Appeals

BACKGROUND

A school may write to a guaranty agency and/or Direct Loan servicer to obtain information to appeal the school's official cohort default rate. Guaranty agencies and the Direct Loan servicer are required to respond to these requests.¹

Because some appeal time frames begin when a school receives a response from a guaranty agency or Direct Loan servicer, the Department recommends that guaranty agencies and the Direct Loan servicer:

- ❖ send all correspondence to schools return receipt requested

AND

- ❖ maintain files of signed returned receipts.



There are two official cohort default rate processes that do not involve guaranty agencies and the Direct Loan servicer. Guaranty agencies and the Direct Loan servicer do NOT have roles in adjustment requests and exceptional mitigating circumstances appeals. This section provides guidance to guaranty agencies and the Direct Loan servicer if a school mistakenly sends an adjustment request or exceptional mitigating circumstances appeal.



The Department recommends sending all correspondence return receipt requested.

1. 34 CFR § 682.401(b)(15)

How does a guaranty agency or Direct Loan servicer notify the Department about the status of a school's requests?

A guaranty agency or the Direct Loan servicer must send the Department a courtesy copy (cc) of its response to a school's requests. The information that needs to be provided to a school is detailed in the specific appeals sections that follow.

The monthly status report is a cumulative list of cohort default rate requests from schools that includes ALL requests received after the release of the FY 1995 official cohort rates UNTIL the release of the FY 1996 official cohort rates.

In addition to receiving courtesy copies of correspondence with schools, as a way to track that time frames within the appeals process are met, the Department requests that each guaranty agency and the Direct Loan servicer provide it with a monthly status report. The status report should be sent to the Department within **5 working days** of the end of the month. For example, the status report for November 1997 should be sent by December 5, 1997.

The monthly report provides the Department with a status update on cohort-default-rate-related requests that guaranty agencies and the Direct Loan servicer receive from schools after the release of the FY 1995 official cohort default rates. (Guaranty agencies and/or the Direct Loan servicer should use spreadsheet **Monthly Status Report on Cohort Default Rate Requests**, on page 169, or its equivalent, to submit reports.)



Q: Can a guaranty agency and/or Direct Loan servicer submit courtesy copies of its responses to schools' requests as part of its monthly status report to the Department?

A: Yes, a guaranty agency or the Direct Loan servicer may batch its courtesy copies and send them to the Department once a month along with its monthly report.

If sent by commercial overnight mail/courier delivery, send courtesy copies and monthly status reports to:



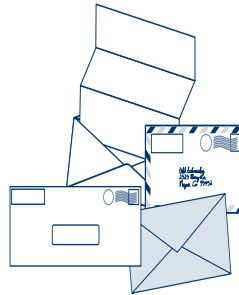
U.S. Department of Education
Default Management Division
ATTN: GA/DLS Monthly Status Reports
ROB-3, Room 5125
7th and D Streets, SW
Washington, DC 20202

For entry into the building, call
202/708-6048

The Department accepts deliveries from commercial couriers and/or hand deliveries on Monday through Friday, 8:00 a.m. to 4:30 p.m. (Eastern Time).

If sent by U.S. Postal Service, send courtesy copies and monthly status reports to:

U.S. Department of Education
Default Management Division
ATTN: GA/DLS Monthly Status Reports
ROB-3, Room 5125
600 Independence Avenue, SW
Washington, DC 20202-5353



The Department recommends sending all correspondence return receipt requested.

Compiling a Monthly Status Report on Cohort Default Rate Requests

How to fill out spreadsheet

List all schools that requested cohort default rate information using a spreadsheet software application such as Lotus 1-2-3, Supercalc, or Excel. The resulting spreadsheet is sent to the U.S. Department of Education (the Department).

The spreadsheet width should be on one page in a landscape (horizontal) layout. A sample spreadsheet is on the opposite page.

Header: Enter **Monthly Status Report on Cohort Default Rate Requests** in the center of the header area. In the left side of the header area, enter the name of the guaranty agency or Direct Loan servicer and the month (example: December 1997) the report covers.

Footer: Enter the date in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific page number and the total number of pages show on each page (example: page 1 of 10 pages).

On Row 1 enter **exactly** the same column names in **exactly** the same order as listed on the sample spreadsheet. (Use a row height of 60.)

On Row 2 and below, include the following data in the header for each school requesting cohort default rate information during this reporting period. (Use a row height of 15.)

- Column 1:** Enter the school's six-digit OPE ID number. If more than one school's OPE ID number is listed, sort by numerical order when ready to print the spreadsheet.
- Column 2:** Enter the school's name.
- Column 3:** Use Erroneous Data or Improper Loan Servicing to identify type of request. Enter the type of request.
- Column 4:** Use FY 1993, FY 1994 and/or FY 1995 to identify the applicable fiscal year(s). Enter the fiscal year(s).
- Column 5:** If response has not been sent, enter MM/DD/YY (month, day, and year) to identify the expected completion date of response to school.
- Column 6:** Enter MM/DD/YY to identify the date the guaranty agency or Direct Loan servicer mailed a response to the school.
- Column 7:** Enter MM/DD/YY to identify the date the school signed for the response from the guaranty agency or the Direct Loan Servicer.
- Column 8:** Enter comments in this column, if needed.

Monthly Status Report on Cohort Default Rate Requests

Guaranty Agency
Month, Year

NOTE: This is a sample spreadsheet.
(See instructions.)

[illegible]

MM/DD/YY

[Send to U.S. Department of Education]

Page ___ of ___ pages

Information about a guaranty agency's or Direct Loan servicer's role in specific situations follows.

REQUESTING AN ADJUSTMENT

A guaranty agency and/or Direct Loan servicer should NOT review a school's adjustment request, as schools should submit all adjustment requests directly to the Department.

If a guaranty agency or Direct Loan servicer receives an adjustment request from a school, it **immediately** should contact the school to inform it that the adjustment request must be sent to the Department, and that the request must be sent within **10 working days** of the school receiving its official backup data.

ERRONEOUS DATA APPEAL

How long does a guaranty agency or Direct Loan servicer have to respond to a school's request for verification of erroneous data?

The guaranty agency or Direct Loan servicer must respond to a school within **15 working days** of receiving the school's request to verify erroneous data.²



2. 34 CFR § 682.401(b)(15)

What if unforeseen circumstances prevent a guaranty agency or Direct Loan servicer from responding to a school's request within the required 15-working-day period?

If a guaranty agency or Direct Loan servicer is unable to respond within the required **15 working days**, it should:

- ❖ send the school a letter—
 - ❖ explaining the circumstances causing the delay,
 - ❖ telling the school how soon it will respond,
 - ❖ explaining to the school that the school's opportunity to submit an appeal to the Department is not being jeopardized as the time frame for submitting appeals does not begin until the school receives the guaranty agency's or Direct Loan servicer's response,³

AND

- ❖ including a notation that a courtesy copy (cc) will be sent to the Department.

AND

- ❖ simultaneously, send a courtesy copy (cc) of the letter to the Department.

3. 34 CFR § 668.17(c)(8)

How should a guaranty agency or Direct Loan servicer respond to an ineligible school's request for verification of erroneous data?

Occasionally, a school requests verification of erroneous data when it is not eligible to do so. The following table summarizes how a guaranty agency or Direct Loan servicer should respond to requests from ineligible schools:

Guaranty Agency and/or Direct Loan Servicer Response to Erroneous Data Requests From Ineligible Schools	
If...	Then..
a school that is not subject to sanctions submits a request for verification of erroneous data	the guaranty agency or Direct Loan servicer does NOT review any part of the school's request. The guaranty agency or Direct Loan servicer should respond to the school and explain that only schools that are subject to sanctions may appeal on the basis of erroneous data. ⁴ Refer the school to the erroneous data appeal section beginning on page 39 of this guide, and simultaneously send a courtesy copy of the letter to the Department.
a school that is subject to extended loss of Federal Family Education Loan (FFEL) Program and/or Direct Loan Program eligibility AND/OR limitation, suspension, or termination (LS&T) of federal student financial aid programs requests verification of erroneous data for its FY 1995, FY 1994 and/or FY 1993 official cohort default rates	the guaranty agency or Direct Loan servicer reviews the allegations and provides a response ONLY for the FY 1995 data. In its response to the school, the guaranty agency or Direct Loan servicer should explain that it can review only the FY 1995 data, because the school is not eligible to appeal any other cohort default rates. Refer the school to the erroneous data appeal section beginning on page 39 of this guide, and simultaneously send a courtesy copy of the letter to the Department.

4. 34 CFR § 668.17(c)(1)

Guaranty Agency and/or Direct Loan Servicer Response to Erroneous Data Requests From Ineligible Schools (cont'd)

If...	Then..
a school's request for verification of erroneous data is sent more than 10 working days after the school received its official cohort default rate notification letter from the Department	<p>the guaranty agency or Direct Loan servicer does NOT review any part of the school's request. In its response to the school, the guaranty agency or Direct Loan servicer should explain that it is unable to review the request because the school missed the regulatory deadline.⁵ Refer the school to the erroneous data appeal section beginning on page 39 of this guide, and simultaneously send a courtesy copy of the letter to the Department.</p> <ul style="list-style-type: none"> • The guaranty agency or Direct Loan servicer should contact the Department if it needs assistance verifying the date an official cohort default rate was received by the school.
a school alleges errors that it did NOT challenge during the draft data review process, and the alleged errors are NOT new data included in the official backup data	<p>the guaranty agency and/or Direct Loan servicer should NOT review the alleged errors. (The guaranty agency and/or Direct Loan servicer should, however, review all eligible allegations.) In its response to the school, the guaranty agency and/or Direct Loan servicer should explain that it is unable to review the allegations because the school was required to have challenged the data during the draft data review process BUT failed to do so AND the data are not new data.⁶ Refer the school to the erroneous data appeal section beginning on page 39 of this guide, and simultaneously send a courtesy copy of the letter to the Department.</p>



Q: How does a guaranty agency or Direct Loan servicer know when a school received its official cohort default rate?

A: The Department mails all official cohort default rates at an announced time, sending them return receipt requested. Before denying a school's request on the basis of a late submission, a guaranty agency or Direct Loan servicer should contact the Department to verify the actual date the school received its rate.

5. 34 CFR § 668.17(c)(8)(i) and 668.17(i)

6. 34 CFR § 668.17(j)(7)

Responding to Specific Types of Allegations of Error

What should a guaranty agency do when a school makes an allegation of error that deals with linking a Federal SLS Loan and a Federal Stafford Loan?

For any Federal SLS Loan that was NOT reported in a cohort period prior to FY 1993, the following applies:

- ◆ If a student has both a Federal SLS Loan and a Federal Stafford Loan that were both obtained in the same period of continuous enrollment, the date the student entered repayment for the Federal SLS Loans is the same as the date the student entered repayment for the Federal Stafford Loan.
- ◆ In all other instances, the date the student entered repayment for the Federal SLS Loan is the day following the day the student is no longer enrolled on a half-time basis.

Under the above guidelines, which were implemented beginning with FY 1993 cohort default rates, a loan that was reported as having entered repayment prior to FY 1993 might also meet the criteria to be included in FY 1993 or later. To prevent the possibility of double-counting loans, any Federal SLS loan that was reported in a cohort period prior to FY 1993 will remain in that cohort period and not be reported again.

How does a guaranty agency determine if a loan was converted using a date-specific or a month-specific methodology?

A guaranty agency reviews its records to determine how the loan originally was converted into repayment **by the lender**. A school has no role in the lender's decision and may not appeal to guaranty agencies, the Direct Loan servicer, or to the Department to change a lender's methodology.



It is not within the authority of guaranty agencies and the Direct Loan servicer to change the conversion method determined by the lender.

What format should a guaranty agency or Direct Loan servicer use to respond to a school's request for verification of erroneous data?

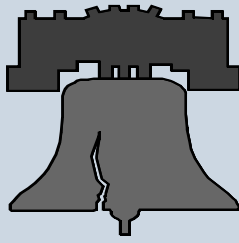
When responding to a school's request for verification of erroneous data, the guaranty agency or Direct Loan servicer response must have the following components.

<p>Component 1 consists of:</p> <ul style="list-style-type: none"> ❖ A letter on the guaranty agency's or Direct Loan servicer's official letterhead stating— <ul style="list-style-type: none"> ❖ the school's name, ❖ the school's OPE ID number, ❖ the type of appeal to which the guaranty agency or Direct Loan servicer is responding, ❖ the fiscal year(s) for which the guaranty agency or Direct Loan servicer is responding, <p>AND</p> <ul style="list-style-type: none"> ❖ The letter must indicate that a courtesy copy (cc) was sent to the Department. <p>(See sample letter Response to Allegations of Erroneous Data, on page 177.)</p>	Component 1
<p>Component 2 consists of:</p> <ul style="list-style-type: none"> ❖ a completed spreadsheet responding to the school's request for information. (Use Response to a School's Allegations of Erroneous Data, on page 179, or its equivalent.) ❖ guaranty agencies and the Direct Loan servicer must respond to every data element on the spreadsheet. 	Component 2
<p>Component 3 contains:</p> <ul style="list-style-type: none"> ❖ an OPTIONAL narrative or comment section about entries on the spreadsheet. 	Component 3 (Optional)



Q: What if a guaranty agency or Direct Loan servicer can respond to only a portion of a school's allegations within 15 working days?

A: It should hold that portion of the response until it can provide a response to ALL the school's allegations. The guaranty agency or Direct Loan servicer also should notify the school that the reply will be delayed and remind the school that the delay does not jeopardize the school's appeal rights. When ALL the needed data are gathered, the guaranty agency or Direct Loan servicer should send ALL of the data to the school in a single mailing.



State Guaranty Agency

1010 Joppa Avenue, Suite 200
Any Town, Any State 00000-0000
(000) 000-0000

November 25, 1997

Sample Letter

Our Town A&M University
ATTN: Rain E. Forrest, President
1212 Tiger Lane
Any Town, Any State 00000-0000

Subject: Response to Allegations of Erroneous Data

To Whom It May Concern:

This is State Guaranty Agency's response to Our Town A&M University's, OPE ID 001100, allegations of erroneous data in its FY 1995 official cohort default rate.

The information you requested is on the enclosed spreadsheet.

Sincerely,

Sarah Belham

Sarah Belham, CEO
State Guaranty Agency

Enclosures

cc: U.S. Department of Education

Responding to a School's Allegations of Erroneous Data

How to fill out spreadsheet

List all responses to a school's request for verification of errors in its official backup data using a spreadsheet software application such as Lotus 1-2-3, Supercalc, or Excel. The resulting spreadsheet is sent to the school that requested the data.

The spreadsheet width should be on one page in a landscape (horizontal) layout. A sample spreadsheet is on the opposite page.

Header:

Enter **FY 1995 Response to a School's Allegations of Erroneous Data** in the center of the header area. In the upper left area, enter the requesting school's name and its OPE ID number.

Footer:

Enter the date in the lower left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific page number and the total number of pages show on each page, for example: page 1 of 10 pages.

On Row 1 enter **exactly** the same column names in **exactly** the same order as listed on the sample spreadsheet. (Use a row height of 60.)

On Row 2 and below, include the following data in the header for each loan where there is an alleged error. (Use a row height of 15.)

Column 1:

Enter the borrower's Social Security number (SSN) using hyphens to separate the numbers (example: 000-88-000). If more than one SSN is listed, sort by numerical order when ready to print the spreadsheet.

Column 2:

Enter the borrower's name.

Column 3:

Enter Disputed (Disputed Data) or New (Incorrect New Data) to identify if errors are alleged on the basis of unresolved data from the draft data review process or incorrect new data.

Column 4:

Use FFEL/Stafford (Federal Family Education Loan/Stafford), DL/Stafford (Direct Loan/Stafford), or SLS (Supplemental Loans for Students) to identify type of loan. Enter the loan type.

Column 5:

Use X to identify whether an SLS repayment date needs to be linked to a FFEL/Stafford repayment date. If linkage is not applicable, leave blank.

Column 6:

Enter MM/DD/YY (month/day/ year) to identify the BCD (beginning class date) of the loan period.

Column 7:

Enter MM/DD/YY to identify the ECD (ending class date) of the loan period.

Column 8:

Enter MM/DD/YY to identify LGD (loan guaranty date).

Column 9:

Enter MM/DD/YY to identify the EARLIER of LTH (less-than-half-time) enrollment or LDA (the last date of attendance).

Column 10:

Enter MM/DD/YY to identify the date the loan entered repayment.

Column 11:

Enter MM/DD/YY to identify the CPD (claim paid date), DD (the default date), or the ICRD (income contingent repayment date). Leave blank if the student did not default.

Column 12:

Enter the fiscal years to which your school would like to see this information applied.

Column 13:

Enter N (Numerator), D (Denominator), or N/D (both Numerator and Denominator) with a negative or positive sign (-D or +D) to indicate the effect on the CDR (cohort default rate) calculation. If there is no effect enter None.

Column 14:

Enter Yes if there is a comment in the binder section of your mailing, otherwise leave blank.

Note: This is a sample spreadsheet.
(See instructions.)

School's Name

School's OPE ID Number

[illegible]

Page ____ of ____ pages

IMPROPER LOAN SERVICING AND COLLECTION APPEAL

How long does a guaranty agency have to respond to a school's request for loan servicing records?

Remember, an improper loan servicing appeal may NOT be filed for the Direct Loan Program.

If the guaranty agency **charges for loan servicing records**, the guaranty agency must determine which loan servicing records will be provided to the school and bill the school within **15 working days** of receiving the school's request for a representative sample of loan servicing records. A guaranty agency may charge up to \$10 for each loan record.⁷ Once full payment is received, the guaranty agency has **15 working days** to provide the servicing records.



Note:

If a school fails to submit full payment within the required time frame and the guaranty agency has not yet provided loan servicing records, the school loses its right to challenge that guaranty agency's loan servicing records.⁸ The guaranty agency then must notify both the school and the Department that the school has lost the right to appeal student loans guaranteed by that agency on the basis of improper loan servicing and collection.

If a school has not yet submitted full payment within the required time frame and the guaranty agency has provided loan servicing records, the school's right to challenge that guaranty agency loan servicing record is not jeopardized.



Q: What should the Direct Loan servicer do if a school requests a representative sample of loan servicing records?

A: The Direct Loan servicer should NOT provide the requested data. It should notify the school and the Department, in writing, that the request is invalid.

If the guaranty agency **does NOT charge for loan servicing records**, it has:

- ◆ **15 working days** to provide loan servicing records to schools that are subject to the loss of FFEL Program eligibility⁹

AND

- ◆ **30 calendar days** to provide loan servicing records to schools that are NOT subject to the loss of FFEL Program eligibility.¹⁰

7. 34 CFR § 668.17(h)(3)(iii)(D)

8. 34 CFR § 668.17(h)(3)(iii)(F)

9. 34 CFR § 668.17(h)(3)(iii)

10. Id.

What if unforeseen circumstances prevent a guaranty agency from responding to a school within the required time period?

If a guaranty agency is unable to respond within the required time period, it should:

- ❖ send the school a letter—
 - ❖ explaining the circumstances causing the delay,
 - ❖ telling the school how soon it will respond,
 - ❖ explaining to the school that the school's opportunity to submit an appeal to the Department is not being jeopardized as the time frame for submitting appeals does not begin until the school receives the guaranty agency response,¹¹

AND

- ❖ including a notation that a courtesy copy (cc) will be sent to the Department.

AND

- ❖ simultaneously provide a courtesy copy (cc) of the letter to the Department.

If a school does NOT receive a response from a guaranty agency that is sent within the required time period, the school will notify the Department, in writing, that it has not received the required response.

How should a guaranty agency select a random representative sample of loan servicing records?

A guaranty agency must identify all of a school's defaulted student loan borrowers included in the relevant cohort period that were guaranteed by the agency. From that total population, the guaranty agency must select a representative sample of "a size such that the universe estimate derived from the sample is acceptable at a 95 percent confidence level with a plus or minus 5 percent confidence interval."¹²



The representative sample is randomly selected by the guaranty agency from the relevant backup data; a school may not request specific borrower records.

A guaranty agency may provide all records in the total population of defaulted student borrowers or provide a representative sample.

11. 34 CFR § 668.17(h)(3)(iv)

12. 34 CFR § 668.17(h)(3)(iii)(B)

How should a guaranty agency respond to an ineligible school's request for loan servicing records?

Occasionally, a school requests loan servicing records when it is not eligible to do so. The following table summarizes how a guaranty agency should respond to requests from ineligible schools.

<h3>Guaranty Agency Response to Loan Servicing Records Requests From Ineligible Schools</h3>	
If...	Then..
a school that has an official cohort default rate below 20.0 percent submits a request for loan servicing records	the guaranty agency does NOT provide the loan servicing records. In its response to the school, the guaranty agency should explain that only schools that have an official cohort default rate equal to or greater than 20.0 percent may appeal on the basis of improper loan servicing. ¹³ Refer the school to the loan servicing appeal section beginning on page 67 of this guide, and simultaneously send a courtesy copy of the letter to the Department.
a school with a cohort default rate that is NOT subject to initial loss of Federal Family Education Loan (FFEL) Program and/or Direct Loan Program eligibility requests loan servicing records for its FY 1995, FY 1994 and/or FY 1993 official cohort default rates	the guaranty agency provides the representative sample of loan servicing records ONLY for the FY 1995 cohort year. In its response to the school, the guaranty agency should explain that it can provide only the FY 1995 loan servicing records, because the school is not eligible to appeal any other cohort default rates. Refer the school to the loan servicing appeal section beginning on page 67 of this guide, and simultaneously send a courtesy copy of the letter to the Department.
a school fails to provide a copy of the backup data with its request for loan servicing records	the guaranty agency should immediately write to the school requesting that the backup data be provided within 5 working days . If the school does not provide the relevant backup data within 5 working days of receiving the request, the guaranty agency should write to the school explaining that it cannot respond

13. 34 CFR § 668.17(h)(1)

Guaranty Agency Response to Loan Servicing Records Requests From Ineligible Schools (cont'd)

If...	Then..
	to the school's request. Refer the school to the loan servicing appeal section beginning on page 67 of this guide, and simultaneously send a courtesy copy of the letter to the Department.
a school's request for loan servicing records is sent more than 10 working days after the school received its official cohort default rate notification letter from the Department	<p>the guaranty agency does NOT provide the loan servicing records. In its response to the school, it should explain that it is unable to review the request because the school missed the regulatory deadline.¹⁴ Refer the school to the loan servicing appeal section beginning on page 67 of this guide, and simultaneously send a courtesy copy of the letter to the Department.</p> <ul style="list-style-type: none"> • The guaranty agency should contact the Department if it needs assistance verifying the date an official cohort default rate was received by the school.
a school requests specific loan servicing records	<p>the guaranty agency must provide the required randomly selected sample of loan servicing records sample that might or might not include the records specified by the school.¹⁵</p> <ul style="list-style-type: none"> • If a guaranty agency charges for records, when it sends the bill it should explain that it is required to provide a randomly selected sample. • If a guaranty agency does NOT charge for the records, it should send the randomly selected records to the school and should explain that it is required to provide a randomly selected sample. <p>Refer the school to the loan servicing appeal section beginning on page 67 of this guide, and simultaneously send a courtesy copy of the letter to the Department.</p>



Q: How does a guaranty agency or Direct Loan servicer know when a school received its official cohort default rate?

A: The Department mails all official cohort default rates at an announced time, sending them return receipt requested. Before denying a school's request on the basis of a late submission, a guaranty agency or Direct Loan servicer should contact the Department to verify the actual date the school received its rate.

A guaranty agency may provide all of the defaulted borrowers' loan servicing records or a representative sample of the records.

¹⁴ 34 CFR § 668.17(h) (3) (ii)

¹⁵ 34 CFR § 668.17(h) (3) (iii) (B)

What if a school identifies missing records or says it received illegible records in its representative sample?

A school should notify a guaranty agency, in writing, within **5 working days** of receiving its representative sample if there are missing or illegible records. The guaranty agency then has **5 working days** from receiving the school's written notification to provide missing records or legible copies.

What format should a guaranty agency use to respond to a school's request for loan servicing records?

When responding to a school's request for loan servicing records, the guaranty agency response must have the following components:

Component 1

Component 1 consists of:

- ◆ A letter on the guaranty agency's official letterhead stating—
 - ❖ the school's name,
 - ❖ the school's OPE ID number,
 - ❖ the type of appeal to which the guaranty agency is responding,
 - ❖ the fiscal year(s) for which the guaranty agency is responding,
 - ❖ the total population of defaulted loans included in the applicable cohort period and guaranteed by the guaranty agency,

AND

 - ❖ how many loans are included in the representative sample.

AND
- ◆ A courtesy copy (cc) of the letter should be sent to the Department. (See sample letter **Response to Request for Loan Servicing Records** on page 185.)

Component 2

Component 2 consists of:

- ◆ a list of the names and Social Security numbers of ALL students included in the representative sample and the total number of defaulted student loans for each student provided in the sample.

Component 3

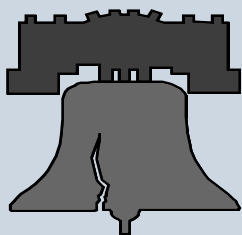
Component 3 consists of:

- ◆ copies of ALL loan servicing records included in the sample.



Q: What if a guaranty agency can provide only a portion of the loan records within 15 working days?

A: It should hold that portion of the loan servicing records until it can provide a full response. The guaranty agency should notify the school that the reply will be delayed and remind the school that the delay does not jeopardize the school's appeal timing. When ALL the needed loan servicing records are compiled, the guaranty agency should send ALL the data to the school in a single mailing.



State Guaranty Agency

1010 Joppa Avenue, Suite 200
Any Town, Any State 00000-0000
(000) 000-0000

November 10, 1997

Sample Letter

Our Town A&M University
ATTN: Rain E. Forrest, President
1212 Tiger Lane
Any Town, Any State 00000-0000

Subject: Response to Request for Loan Servicing Records

To Whom It May Concern:

This is State Guaranty Agency's response to Our Town A&M University's, OPE ID 001100, request for loan servicing records for FY 19__.

The total population of your school's defaulted loans guaranteed by this agency for FY 19__ is _____. A total of _____ loans are included in the representative sample.

Sincerely,

Sarah Belham

Sarah Belham, CEO
State Guaranty Agency

Enclosures

cc: U.S. Department of Education

EXCEPTIONAL MITIGATING CIRCUMSTANCES APPEAL

A guaranty agency and/or Direct Loan servicer does NOT have a role in a school's appeal on the basis of exceptional mitigating circumstances. An exceptional mitigating circumstances appeal is determined by the Department on the basis of school information and Department records.

If a guaranty agency or Direct Loan servicer receives an exceptional mitigating circumstances appeal from a school, it **immediately** should contact the school and inform it that the exceptional mitigating circumstances appeal must be sent to the Department, and that the appeal must be sent within **30 calendar days** of the school receiving its official cohort default rate.

WITHDRAWING AN APPEAL

If a school decides not to continue with an appeal of its official cohort default rate, it may withdraw from the appeal process at any time. A school that withdraws from the appeal process notifies the Department, in writing, and sends a courtesy copy (cc) to the involved guaranty agencies and/or Direct Loan servicer.